



Valuing Nonmarket Benefits

SBCA Professional Development Workshop

May 7 & 8, 2024 1:00 pm – 3:30 pm ET

For more information and to register: <https://www.benefitcostanalysis.org/workshops>

Description: The development of methods to estimate welfare changes for use in benefit-cost analysis began as a nascent field in the U.S. in the middle of the 20th century to support decision making for environmental investments. It then progressed as part of regulatory impact analyses required under multiple presidential executive orders beginning with EO 12291 issued by the Reagan administration. At the same time, the valuation of ecosystem services and natural capital throughout the European community expanded quickly with the U.K. Treasury “Green Book” and E.U. Water Framework Directive. Methodological improvements followed rapidly for both stated and revealed preference methods, leading to the now relatively mature set of methods available to practitioners.

These methods are being routinely applied to support benefit-cost analysis of regulatory programs, prioritization of conservation spending in government and non-governmental organizations, natural resource damage assessment, and private firm’s analyses of sustainability issues in their sector.

In this workshop, we provide a primer of the field including both the theoretical basis and current state of best practice for the most common methods. Core topics include basic welfare theory, stated preference methods, hedonic property value approaches, recreation demand modeling, hedonic wage studies, benefit transfer, the value of risk reduction, and other special topics. The workshop is intended for professionals and analysts who use the results of these studies in their work and wish to better understand the basics of these methods. The course should also serve as a refresher for those who have been away from the field and applications for some time and are looking for a brief review of the current state of the art.

Instructors



Vic Adamowicz is a Distinguished University Professor in the Department of Resource Economics and Environmental Sociology, University of Alberta. His research has focused on the economic valuation of environmental amenities and ecosystem services and the incorporation of environmental values into economic analysis – with applications to outdoor recreation, health, water quality, air quality, endangered species, forests, and agriculture. His research also involves the analysis of economic choice behavior with applications to food demand, recreation, and environmental quality.



Cathy Kling is a Tisch University Professor in the Dyson School of Applied Economics and Management and Faculty Director at the Atkinson Center for a Sustainable Future. She was elected to the National Academy of Sciences in 2015. She has published nearly 100 refereed journal articles and books chapters and is the former editor of the *Review of Environmental Economics and Policy*. She specializes in the economic valuation of ecosystem services and integrated assessment modeling for water quality modeling.



Nick Kuminoff is an Associate Professor in the Economics Department at Arizona State University, a Research Associate at the National Bureau of Economic Research, and editor of the *Journal of the Association of Environmental and Resource Economists*. His research on nonmarket valuation has included estimating the demand for public goods, environmental amenities, and mortality risk reduction from consumer sorting behavior and hedonic price functions in markets for housing, labor, and health care.



Dan Phaneuf is the Henry Taylor Professor of Agricultural Economics at the University of Wisconsin where he specializes in methods and applications of nonmarket valuation methods including a focus on recreation demand and hedonic methods. Dan is the coauthor of the leading graduate text in environmental economics “A Course in Environmental Economics: Theory, Course, and Practice,” past editor of the *Journal of Environmental Economics and Management* and of the *Journal of the Association of Environmental and Resource Economists*, and currently serves in that capacity for *Land Economics*. He has published 90 articles in his specialty. His current work revolves around valuing water quality improvements.



Valuing Nonmarket Benefits (continued)

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Christian Vossler is the J. Fred Holly Chair of Excellence in the Department of Economics at the University of Tennessee. Much of his research focuses on non-market valuation methods used to estimate the benefits of public goods in monetary terms, with special attention to issues of mechanism design and the external validity of survey-based methods. He currently is an editor for the *Journal of the Association of Environmental and Resource Economists* and a co-editor of *Environmental & Resource Economics*.



John C. Whitehead is a professor in the Department of Economics at Appalachian State University. He received his PhD in economics from the University of Kentucky. His teaching includes courses in environmental and natural resource economics and benefit-cost analysis. His research includes nonmarket valuation, primarily in the context of recreation, water quality and sports. He is an associate editor at *Marine Resource Economics* and is currently the treasurer for the Society for Benefit-Cost Analysis.